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OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this **9th** day of <u>September</u> 2008, between **Sarah Thomas, a widow** Lessor (whether one or more), whose address is: **2701 Steeplechase Court, Hurst, Texas 76054**, and **XTO Energy Inc.**, whose address is: 810 Houston St., Fort Worth, Texas 76102, Lessee,

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of

0.306 acres, more or less, out of the W.T. Jones Survey Abstract No. 865, and being Lot 14, Block 3, of Fox Glenn Addition, An Addition to the city of Hurst, Tarrant County, Texas, according to the replat thereof recorded in Cabinet A, Slide 976, Plat Records, Tarrant County, Texas, and being those same lands more particularly described in a Warranty Deed With Vendor's Lien dated April 30, 1992 from Classic Concepts Custom Homes, INC. to Thomas A. Thomas and wife, Sarah Thomas, recorded thereof in Volume 10623, Page 614, Deed Records, Tarrant County, Texas, and amendments thereof, including streets, easements and alleyways adjacent thereto, and any riparian rights.

This is a non-development Oil, Gas and Mineral Lease, whereby Lessee, its successors or assigns, shall not conduct any operations, as defined herein, on the surface of said lands. However, Lessee shall have the right to pool or unitize said lands, or part thereof, with other lands to comprise an oil and/or gas development unit. It is the intention of Lessor to allow Lessee to explore for oil and/or gas without using the surface of Lessor's land for any operations. This clause shall take precedence over any references to surface operations contained within the preprinted portion of this

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more bedeemed to contain 0.306 acres, whether actually containing the amount of any bonus or other payment hereunder, said land shall the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder

Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of 3 years
with no cessation for more than ninety (90) consecutive days.

with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well of row cases election, except that on sulphur mineral and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms therefore have been goon to the produced from said land, then are shut-in, and thereafter this lease may be continued in force as if no shut-in had said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities of the well acclaimed to the produced from facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to during such time there are no operations on said land, then at or before the expiration of said ninety day period. Lessee shall pay or tender, by or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon suc

assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as a to any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain not more than 80 surface acres, any one or more horizons, so as to contain the following: from wells classified as gas wells by the conservation agency having jurisdiction. The subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. The subsurface reservoir, (3) minerals produced time established, or after enlargement, are permitted or required under any governmental rule or order, for the drilling or operation of a well at a refulsive containing maximum allowable from any well to be drilled, drilling and any such unit may be established or seven shall exercise said option as to each desired unit effective as of the date provided for in said instrument or instruments are so filed of record. Each of said options as to each desired unit effective as of the date provided for in said instruments are so filed of record. Each of said options may be exercised by Lessee at any cord or the portion of said land included in the unit, or on other land unitized there

or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the part of the leased premises.

- 5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.
- 6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral,
- 7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw shall pay for damages caused by its operations to growing crops and timber on said land.
- 8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, if successors or assigns, no the binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity such royalties, or other moneys, or other moneys, or division, supported by either originals or duly such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.
- 9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice hall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after receipt after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less that forty acres), such acreage require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land or convenient operations.
- 10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether corn or owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without
- 11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.
- 12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.
- 13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.
- 14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.
- 15. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial three (3) year primary term for a second two (2) year term. This option may be exercised anytime during the initial primary term by delivery of payment of an additional bonus of \$20,000.00 per net mineral acre. The bonus payment shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the bonus payment provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was five (5) years.

IN WITNESS WHEREOF, this instrument is executed on the date first above written. Mona/

LESSOR: Thomas A. Thomas, deceased

STATE OF Texas } COUNTY OF __Tarrant__ }

} ss.

(ACKNOWLEDGMENT FOR INDIVIDUAL)

September, 2008 by day of

LESSOR: Sarah Thomas

This instrument was acknowledged before me on the Sarah

ADAM C. CASBURN Notary Public STATE OF TEXAS My Comm. Exp. 05/02/2012

Notary Public

Seal: